



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

February 2, 2005

The Honorable John Cornyn
United States Senate
517 Hart Senate Office Building
Washington, DC 20510

RE: Fairness in Bankruptcy Litigation Act of 2005

Dear Senator Cornyn:

I support your important initiative to prohibit opportunistic forum shopping by corporate debtors.


As you know firsthand from your tenure as Attorney General of Texas during the State's involvement in the Enron bankruptcy proceedings, such unsavory court-shopping truly harms innumerable parties - large and small alike. Far too often, corporate debtors file for bankruptcy in a far-flung district solely because of their incorporation in the state where that district is located.

Your proposal to amend 28 U.S.C. § 1408 - the aptly named Fairness in Bankruptcy Litigation Act - would prevent this unseemly practice. As you know, bankruptcy forum shopping can adversely impact not just states and state agencies, but countless consumers, creditors, employees, pensioners, stockholders, and small businesses that are regularly thwarted from protecting their interests simply because the debtor filed in a distant forum.

The venue stratagems used by large law firms to maximize their professional fees, render far-away courts inaccessible to scores of unsecured creditors, and select compliant, debtor-friendly judges undermine the credibility of our nation's bankruptcy system. Indeed, after two years of public hearings, the National Bankruptcy Review Commission recommended that Congress overhaul the law to prevent forum shopping by large Chapter 11 debtors and their affiliates. I strongly support their recommendation and applaud you for bringing this urgent matter to the attention of the United State Senate.

Abusive forum shopping by corporate debtors harms Americans from all walks of life. It is time for this gamesmanship to stop. I commend your efforts to strengthen our bankruptcy system and safeguard the interests of ordinary Americans.

Sincerely,


Greg Abbott
Attorney General of Texas